

Content:

- ▶ **Introducing the MobileWay Global Network** 1
- ▶ **Revenue Sharing according to MobileWay** 2
- ▶ **Customers adopting MobileWay** 2
- ▶ **Short Messages from MobileWay:** 3-4
 - Funding
 - MobileWay expands management team
 - Revenue Sharing Case Study with BattleMail Kung fu
 - Microsoft and MobileWay: Stay connected!
 - GSM association membership
- ▶ **Analyst Viewpoint:** 4
 - Salomon Smith Barney report
- ▶ **Thought leadership corner** 5
- ▶ **Wireless Market News:** 5
 - Global text messages reach 1 billion per day
- ▶ **MobileWay's Partner and Reseller Program** 6
- ▶ **New office in Stockholm** 6
- ▶ **Tradeshows and conferences** 7
- ▶ **List of offices** 8

Introducing the MobileWay Global Network

The MobileWay Global Network links the wireless network operators to provide access through our data network to content sources. These content sources benefit from simplified, global access to end-users while carriers benefit from increased revenue-generating traffic.

The company currently operates 24 x 7 x 365 custom-built Network Operating Centres in Paris, Singapore and North America. MobileWay's NOCs are directly connected to the data gateways of all major wireless carriers via leased lines or virtual private networks. MobileWay can handle high message volumes thanks to our Global Network capacity. The message capacity is constantly being reviewed and is updated to meet Customer Quality Of Services (QOS) commitments. MobileWay handles bi-directional Short Message Services (SMS) and will soon do the same with General

Packet Radio Services (GPRS); it provides a log of all wireless data transactions going through its NOCs for accounting and auditing purposes. MobileWay also interfaces with premium charged call centers/IVR servers, with credit card authorization systems and with stored value account systems to handle payments that cannot be processed by the billing systems of the wireless network operators.

With the MobileWay Global Network, enterprises do not have to build their own wireless infrastructure, negotiate bilateral agreements with each operator, or replace current investments in technology. MobileWay provides a single source for global operator connectivity, the extension of enterprise applications out to mobile workers regardless of protocol or geography, and the ease of utilizing existing technology investments.

Revenue-Sharing according to MobileWay

As a business, you want to deploy data services to mobile users via their wireless phone or via convergent PDA-phone devices.

What is the business model for you? Propagating services through wireless networks costs money. Those networks are expensive to build, and their operators need to recover heavy capital costs and make an operational profit. Someone has to pay for transmitting data over wireless networks. Let us explain the business models according to the different regions:

In the Americas, the «receiving party pays» model (where recipients of voice or data calls pay for each transaction), allows wireless operators to charge their subscribers for Mobile Terminated («MT») data sent over by a business entity or another person. Operators also charge their subscribers for Mobile Originated («MO») queries or responses back to your service. In a nutshell, the subscribers can be charged for the entire traffic through their usual phone bill.

Therefore, you may not have to pay any traffic fee for operating your service.

In Europe and Asia, where «calling party pays» is the dominant model, wireless subscribers receiving MT data from you will usually not be charged by their wireless operator. They will only pay for Mobile Originated queries or responses back to you. You will be stuck with having to pay for the Mobile Terminated traffic, unless some other arrangement is made with the wireless operators.

If you happen to already have a billing relationship with the intended mobile customers, for example, because you already offer them some subscription-based service through another distribution channel, then you can easily arrange to collect more money from those users and use part of these funds to pay for wireless distribution. If you do not have such a billing arrangement with your intended mobile customers, then you will not be making any money from your traffic in the Americas and you will be stuck with paying the bill for MT traffic in Europe and Asia, unless

some special arrangement is made with the wireless operators carrying your service.

In a nutshell, a revenue-sharing agreement with a wireless operator consists of cooperating with that operator to enable it to collect more money from its subscribers for the traffic carrying your data. In Europe and Asia, it may include «MT-billing» i.e. letting the operator charge subscribers for traffic it would normally not charge them. In all cases, it involves the operator charging the subscribers a premium for your traffic, and agreeing with the operator how the premium money collected from the subscribers is shared with you.

Revenue-sharing allows you to make money rather than spend money in your wireless data interactions with mobile users. It is about cooperating with the wireless operators in a way that leverages one of their strongest assets: their ability to collect money from end users.

Customers adopting MobileWay

SIEMENS «MobileWay has proved that it not only has the global connectivity which is fundamental to our business but great business understanding and technical expertise. MobileWay's connectivity will enable users of the new Siemens C45/2118 to play interactive games irrespective of location.»
Georges Bouilloy, Senior Vice President, Product Operation, Siemens Information and Communication Mobile Group.

nextra «The partnership with MobileWay is consistent with our strategy oriented to support the

global development of an advanced line of business solutions. We are proud to start with Lycos this new business approach to the Internet messaging.» - Stefano Salvini Marketing Manager at Nextra.



«Mobile commerce needs to be supported by a secure and robust messaging network. Working with MobileWay, MasterCard will deliver m-commerce solutions that will enable mobile operators to provide value added services while boosting cardholder and merchant confidence in the payments portion of m-commerce.» - Art Kranzley,

Senior Vice President, Global e-Business, MasterCard International.



«It's a win-win situation because the service makes it easier for our customers and easier for us. Network operators in France and Spain have already closed their networks to incoming SMS from other countries, but MobileWay have an unmatched number of direct connections to European operators - which means they are best placed to offer the coverage Mviva requires.» - Max Alexander, Managing Director, Mviva.



Short Messages from MobileWay

Second round of Funding puts MobileWay at the forefront of Mobile Commerce

We are pleased to announce that we have secured \$27m in a second round of venture funding. Led by Mayfield Venture Capital, investors also include 3i, Investcorp, Citigroup and Vertex Management. This funding will allow us to continue our global growth strategy, which includes aggressive partnership development, and creating innovative GPRS and enterprise services, cross-border and cross-technology delivery of SMS.

We operate an international data network hub that mediates between content providers and wireless network carriers to distribute news, information, alerts, coupons, ring tones and m-commerce to cellular phone users in over 50 countries. Our wireless data services include text messages, chat and ring tones; it serves data such as copyright reports, click-rate reports, phone software updates and user validation cryptograms using an SMS text-messaging gateway to access the network carrier's mobile directory. At the core of our business model is our access, billing and application provisioning to enterprises, content providers and financial institutions that want to deploy value-added services to mobile users. By aggregating revenue sharing agreements from wireless operators and dealing with the discrepancies that may exist between different tariffs, currencies and billing policies, we provide a service that promises all interested partners a share in the mobile commerce value chain. We offer a choice of several payment mechanisms, depending on the type of service, target audience and local payments used by global payment systems such as

MasterCard, Visa and American Express. It provides notification of delivery to the carrier's SMS center, proof of receipt to the handset and guaranteed delivery time to its content customers. It also monitors developments in the field of micro payment schemes.

MobileWay expands management team; appoints new CFO...

We are pleased to announce a new CFO appointment to our management team, Patrick Ciganer. Patrick has joined MobileWay with a strong background in high tech financial management. Prior to joining us, Patrick served as Senior Vice President and Chief Financial Officer of Urban Media, a provider of integrated enterprise telecommunications services. He has also held financial management positions with International Wireless Communications, Alation Systems, Communication Research Corporation, and Trimble Navigation. He received his BA from Georgetown University in Washington, DC.

... and new Director of Marketing - Corporate Communications

Stephanie de Labriolle, 33 years of age, a graduate of English from Montpellier University in France and of European Business and German from the University of Nottingham in the UK has joined MobileWay on 10 December 2001. Prior to joining, Stephanie was heading Communication at Oberthur Card Systems, most notably driving the International communication strategy after the acquisition of De La Rue Card Systems in 1999 and the IPO process in 2000.

MobileWay and Siemens innovative business model for new games on mobile phones: how to monetize services!

Siemens in partnership with Battlemail is launching a new kind of mobile application, mixing game culture, enhanced handset MMI, PC interactivity and by-directional SMS. BattleMail KungFu is an innovative multiplayer SMS and email fighting game played between Mobile Phone users and PC users all over the world.

Siemens is leveraging MobileWay's unique network of 2-way SMS connections and revenue sharing agreements with mobile operators around the world. By overcoming the inter-operator compatibility and connectivity issues, MobileWay creates a single global market for these services and a global community of Siemens C45/2118 users. The Siemens C45/2118 is the first example of this fully animated multiplayer game working in a multiplatform environment. The interactive game can be initiated by sending a short message; then the game can be played from the mobile handset or a computer via the Internet.

How it works:

When both the challenger and opponent have submitted their chosen character, moves and victory cry for a particular fight via SMS/email both players receive a game SMS/email containing the result of the fight. After opening the game SMS/email they will be taken to the Arena where they will be able to witness the animated fight and view the winning victory cry.

As players take part in more and more KungFu fights against their



friends, their score will grow and upon attaining certain scores they will be rewarded with higher KungFu belts (7 levels). The higher the users belt the more damaging his attacks and the more health he will have. This has been a very successful way of creating «stickiness» and lengthening the playing life of the user.

As players achieve certain levels of points they are awarded KungFu belts and with each belt they also get 3 Experience points. The player to make one of their attack moves more powerful or increase their health can allocate these Experience points. In this way players have unique characters with different strengths and they have to use these strengths to win a fight. Experience Points have been a successful way of bringing strategy into the email game.

You are challenged!



Microsoft and MobileWay: Stay connected !!

MobileWay is pleased to announce a new offer : *Mobile Exchange*, the service that will put your company at the leading edge of workforce mobility. MobileWay, together with Microsoft, bring you an integrated product offering based on Microsoft® Mobile Information Server. Thanks to a secure access, this service provides universal notification capabilities for all your employees, users of Exchange and Outlook client software, regardless of the wireless carrier in use. By simply adding a Mobile Information Server to your existing infrastructure, your workforce will be able to receive notifications of email, calendar items and important tasks straight to their mobile device.

With such an offering, we «enable enterprise users to «intelligently» draw from multiple online resources in real-time and further extend their productivity» comments Jonas Persson, Director of Business Development, Microsoft



GSM Association Membership

MobileWay is delighted to announce it has been appointed Associate Member of the GSM Association. After demonstrating its strong contribution to the GSM success worldwide, in signing more than 90 GSM carriers relationship agreements all over the world and building strong references by achieving pioneer targets, such as Revenue Sharing based concrete applications deployment, M-Commerce solutions, and many other services, MobileWay has been recognized as a strong player by the GSM carriers community. MobileWay is now actively taking part and contributing on all strategic and technical GSM associations decisions, that are to impact next coming GSM evolutions, including SMS inter operator traffic rules, Location Based Services implementations, M-Commerce schemes, GPRS, MMS, EMS, M-Services... Already ETSI member, this constitutes a major achievement on MobileWay's road to deserve its pairs' trust and confidence, based on concrete success stories.

Salomon Smith Barney Report Analyst Viewpoint:

RU TXTN? Are you Texting? SMS Applications multiply beyond simple chat

Beginning as simple person-to-person chat, SMS has rapidly evolved into a medium for commerce and targeted content distribution. While WAP services have been hobbled by device and circuit-switched network limitations, SMS has demonstrated the value of timely, topical text to alert customers, employees, and communities.

Features such as one-touch embedded number callback, concatenation (stringing together multiple SMS for longer text), PC-to-mobile SMS, and mobile-to-fixed line have expanded the reach. The emergence of SMS aggregators with dedicated-line links to carrier SMS service centers have simplified the distribution of corporate customer and employee alerts — while helping guarantee delivery. We have also seen the advent of MMS (Multimedia Messaging Service), which can signal via SMS the availability of bandwidth-

intensive image or music content for download via browser session. Interestingly, this allows the carrier to tag packets by content type—and inch closer to the wistfully-wished-for «value based billing.» **Our favorite private company in this area is MobileWay.**

Enterprise: Reaching Out to Customers, Partners, and Employees

The most common internal corporate SMS uses are e-mail notification, application alerts (CRM, SFA, SCM), job dispatch, and user



authentication. Commercial messages are estimated at roughly 10.3% of total SMS traffic, with the vast majority being consumer-oriented — and growth is very strong.

Content Providers: Leveraging Opt-In Targeted Delivery for Affinity

Major portals like Yahoo! and Lycos are aggressively leveraging SMS, allowing consumers to opt-in for

alerts on news, sports, weather, stock quotes, and e-mails received. Carriers were reticent to open their SMSCs, attempting to protect the customer interface and their own portals (e.g., BT Mobile's successful Genie).

Merchants and Financial Institutions: Loyalty Through Sticky Apps
SMS appears to be the key that

finally unlocks m-commerce. Middleware vendors like 724 Solutions are allowing banks, brokerages, and retailers to roll out actionable alerts (account management, security prices, payments) to their retail customers.

Patrice Peyret: Thought Leadership Corner

Wireless in the workplace, mobilizing customer relationship management

While wireless in the workplace is a relatively new phenomenon, it is having an extraordinary effect in a short time. Wireless is all about increasing employee productivity at a reduced cost. Customer Relationship Management (CRM) encompasses the roles and responsibilities of those employees who directly work with customers. This involves a range of mobile employees including sales representatives or account managers, field service personnel, and customer support staff. The mobile computing needs of those working with customers varies, which drives the need for different ways of connecting to

important information, and different approaches to architecting a mobile software solution. Effective mobile CRM solutions have the potential to understand, track, and deliver on the customer's needs and provide quick answers to customer questions including product information and availability

Wireless will eventually extend everything we do so all our information, both personal and professional, will follow us around. Using wireless, businesses can extend their reach to work cohesively with customers, partners, and suppliers. Applications running over wireless networks today allow customers to streamline their processes by letting the user process transactions at the

point of origin. They provide warehouse managers with a way to input transactions directly from the warehouse floor rather than recording the information manually and entering it into the system later. Companies save time and money as well as reducing the overall chance of error.

MobileWay's enterprise applications extend this idea to virtually any wireless device, anywhere in the world. For example, a field services professional on the road will be able to watch a short video clip on how to fix something instead of leafing through pages of a manual. Managers should get started now writing and implementing wireless applications to make their companies more mobile, more productive.

Positive Wireless Market NEWS

Text Explosion Heads For 1 Billion Messages A Day

The worldwide explosion in the text message phenomena - or SMS - had reached around three quarters of a billion messages a day by end September, mobile originated alone, according to figures released by the GSM Association, the worldwide voice of mobile network operators.

The Association has now upgraded

previously issued estimates for end 2001 from 200 to 250 billion total mobile messages globally and that the daily rate will top one billion regularly when the impact of the fast-growing Internet-to-mobile messaging services is included.

Early forecasts for the end of year Holiday Season and New Year period - a peak time for text traffic

- estimate that six billion mobile-to-mobile messages will be sent during this time one for every person on the planet.

As use has exploded, so too has the range of applications. Sports results, betting services, lottery-style games, and financial services have all taken to SMS.



Nevertheless, straightforward person-to-person «texting» still accounts for the bulk of the traffic and has led to the development of a unique language that is now part of a global youth culture.

«What is remarkable (...) is that kids in places like Australia and New Zealand are using the same shortcuts and word formations as the kids in the UK and Europe. (...) GSM Text is a global communications phenomena - but SMS has helped create a new global language.» - Association CEO Robert Conway.

The text craze is strongest in Europe with the Scandinavian countries particularly to the fore, but other parts of the world are catching on fast. The Philippines, the Far East, Australia and New Zealand are all seeing rapid rises in SMS take-up.

SMS has certainly had far greater and far faster take-up in the youth market than e-mail experienced. Even in the business community email - which was invented 30 years ago - required more than 20 years to achieve widespread adoption compared to the 2-3 year gestation of SMS.

Meanwhile, the impact of new text standards such as Enhanced Messaging Services (EMS) and in future Multimedia Messaging Services (MMS) where «texters» can send each other animations and audio-animations is expected to add a further surge to SMS usage.

EMS & MMS have a range of additional features for both the consumer and business markets, including: mobile ticketing, gaming, location-based services, advertising and sponsorship, opinion polling and user profiling.



MobileWay's Partner and Reseller Program

Since its foundation, MobileWay has built a range of partnerships with leading technology companies, content providers, financial institutions and e-business service firms. Some of these partnerships focus on specific industry segments and applications; others are global and are aimed at

reinforcing the market position of MobileWay and its partners. As a MobileWay Channel Partner you can generate additional revenues and enhance your competitive advantage by reselling our services or recommending our services with your own value-added applications or services.

If you want to get more information about this Partner and Reseller Program and the real benefits for your business, please contact partner@mobileway.com or the local representation of MobileWay in your country.

New subsidiary in Europe: Sweden

MobileWay is now present in Stockholm, Sweden, to respond to the strong

demand for mobile applications in this region and strengthen our relationship with wireless network

operators and mobile phone manufacturers.



Tradeshows & Conferences

Industry publications, experts,
and pundits have been talking up this groundbreaking service.
See or hear us at one of our many upcoming events.

- ▶ **Jan 22-23 Amsterdam, Holland** Presence and Instant Messaging - Evolving Messaging Revenue Success
- ▶ **Jan 29-31 Stockholm, Sweden.** Nordic Mobile Entertainment Conference
- ▶ **Jan 29-31 Düsseldorf, Germany** Online 2002
- ▶ **Jan 29-30 Singapore** Advertising and Promotion Workshop
- ▶ **Feb 19-22 Cannes, France** GSM World Congress
- ▶ **Feb 26-27** 2nd Asia Pacific Mobile Payment System & Security
- ▶ **March 6-7 Taiwan** 4th 3G Mobile Communications Taiwan 2002 Summit
- ▶ **March 18-20 Orlando, USA** CTIA



List of offices

MobileWay USA

1501 Bollinger Canyon Road
Suite B
San Ramon, CA 94583
Tel: +1 925 362 0607

MobileWay France

124, rue de Verdun
92800 Puteaux
Tel: +33 1 41 44 95 60

MobileWay Germany

Markgrafenstrasse 58
10117 Berlin
Tel: +49 (0) 30/206467-3

MobileWay Italy

Via F.lli Gracchi, 27
20092-Cinisello Balsamo
Milano (Mi)
Tel: +39 02 6124 671

MobileWay Scandinavia

Solna Strandväg 78
S-171 54 Solna - Sweden
Tel: +46 (0)8 50 52 11 93

MobileWay Spain

Paseo General Martínez
Campos nº42, Bajo
28010 Madrid
Tel: +34 91 310 06 75

MobileWay U.K.

42 Borough High Street
London SE1 1XW
Tel: +44 207 357 90 44

MobileWay Australia

Level 12, 37 Bligh Street,
Sydney NSW 2000
Tel: +61 2 8233 6193

MobileWay Hong Kong

c/o Vertex Management
(HK) Ltd
63/F, B, Bank of China Tower
1 Garden Road, Central,
Hong Kong
Tel: +852 2234 9001

MobileWay Malaysia

36th Floor, Menara Maxis
Kuala Lumpur City Centre
50088 Kuala Lumpur
Tel: +60 3 261 50015

MobileWay Singapore

1 Jalan Kilang Timor
#08-03, Pacific Tech Centre
Singapore 159303
Tel: +65 836 44 30

MobileWay Taiwan

11F, 178 Fu-Sing
N Rd 104, Taipei
Tel: +886 2 27182191

